USTELECOM
THE BROADBAND ASSOCIATION

July 19, 2019

Via ECFS

Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street SW
Washington, D.C. 20554

Re: *Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. §160(c) to Accelerate Investment in Broadband and Next-Generation Networks*; WC Docket No. 18-141

Dear Ms. Dortch:

On July 17, 2019, the undersigned, along with Frank Simone and Keith Krom (AT&T), Fred Moacdieh (Verizon), Jeff Lanning (CenturyLink), and AJ Burton (Frontier) met separately with Nirali Patel, Wireline Advisor to Chairman Pai and Arielle Roth, Wireline Advisor to Commissioner O'Rielly. During the meetings, the USTelecom representatives reiterated their request for nationwide forbearance from analog voice-grade cooper loops under Section 251(c)(3) of the Act and the Commission's rules and avoided cost resale obligations under Section 251(c)(4) of the Act and the Commission's rules.

Consistent with previous advocacy, the USTelecom representatives explained that the record demonstrates that forbearance from these monopoly-era mandates is consistent with the public interest and that maintaining the requirements, relevant only to voice service in a highly competitive market and applicable to carriers found to no longer possess market power and declared nondominant in 2016,[1] are not necessary to protect consumers or to ensure that rates are just and reasonable.[2] Thus, the forbearance standard is easily satisfied.

Given the highly competitive voice market, the USTelecom representatives indicated that a lengthy transition period before sun setting the avoided cost resale obligations is unnecessary. Therefore, a transition period, if any, should be no more than 18 months. The USTelecom representatives disputed claims that a longer transition period (up to five years) is necessary to ensure that service for certain customers, such as government agencies, is necessary. While competitors will no longer have the benefit of using an outdated and market-distorting regulatory tool in their negotiations with incumbent carriers, that will not translate to a negative impact on existing customers. ILECs will continue to offer resold service on commercial terms – the type

[1] *See* Declaratory Ruling, Second Report and Order, and Order on Reconsideration*,* WC Docket No. 13-3, *USTelecom Petition for Declaratory Ruling That Incumbent Local Exchange Carriers Are Non-Dominant in the Provision of Switched Access Services*, rel. Jul. 15, 2016, para. 21.

[2] *See* Letter from Patrick Halley, Senior Vice President, USTelecom, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 18-141 (filed June 20, 2019).

of resale that currently accounts for about 85 percent of all resale arrangements. And customers that currently require TDM service will continue to have options following forbearance, whether from CLECs purchasing wholesale offerings, alternative competitive carriers, or from the ILECs themselves, whose prices will be constrained by fierce competition.

Prices and practices are policed by competitive market forces, and ILECs lack any ability to raise rates above competitive levels. Likewise, as in other competitive markets characterized by high fixed costs, ILECs retain strong incentives to make their facilities available to resellers, in order to keep traffic on their networks and attract revenues that otherwise would accrue entirely to intermodal competitors. In short, competition is ensuring, and will continue to ensure, that the public interest is met and that competitive carrier's end users will continue to have access to the services on which they rely.

Please direct any questions to the undersigned.

Sincerely,

/s/ Patrick R. Halley
Patrick R. Halley
Senior Vice President, Policy & Advocacy
USTelecom – The Broadband Association

cc: Nirali Patel
Arielle Roth